

**REGULAR STATE CREDIT UNION BOARD MEETING
HELD BY CONFERENCE CALL
OFFICE OF THE COMMISSIONER
DEPARTMENT OF FINANCIAL INSTITUTIONS
2000 SCHAFER STREET, SUITE G
BISMARCK, NORTH DAKOTA**

December 5, 2003

The regular meeting of the State Credit Union Board was called to order by Acting Chairman Entringer in the Office of the Commissioner, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota, at 9:30 a.m., Friday, December 5, 2003, by conference call arrangement.

MEMBERS PRESENT: Robert J. Entringer, Acting Chairman (*Office*)
Judy A. Millar, Member (*Fargo*)
Ervin E. Mund, Member (*Office*)
Melanie Stillwell, Member (*Williston*)
Steven S. Tonneson, Member (*Minot*)

MEMBERS ABSENT: None

ALSO PRESENT: Suzette Richardson, Acting Secretary (*Office*)
Scott Miller, Assistant Attorney General (*Office*)
Jim Laidlaw, Chief Examiner – Credit Unions (*Office*)

ACTING CHAIRMAN AND SECRETARY

Robert Entringer stated that Chairman Karsky is out of the office; therefore, he would be Acting Chairman for this meeting and is appointing Suzette Richardson as Acting Secretary.

MINUTES PREVIOUSLY APPROVED BY MAIL

The minutes for the regular meeting of September 23, 2003, and the special meeting of October 30, 2003, had been previously mailed to the Board and approved.

Acting Chairman Entringer indicated to the Board that Marilyn Foss, General Counsel for the North Dakota Bankers Association, requested a copy of the September 23, 2003, minutes, and that those minutes had been mailed to her earlier this week. Acting Chairman Entringer explained Ms. Foss was interested in the portion of the minutes relating to the merger of Bismarck Telco Federal Credit Union, Bismarck, into Railway Credit Union, Mandan. There was discussion that the North Dakota Bankers Association may be filing a lawsuit regarding this merger, and that the Board would be notified as soon as any correspondence was received. Acting Chairman Entringer stated if any action is filed, the State Credit Union Board would be represented by Doug Anderson, Assistant Attorney General.

KINTYRE CREDIT UNION, KINTYRE – ARTICLES OF AMENDMENT TO THE BYLAWS

Acting Chairman Entringer explained that Kintyre Credit Union's present field of membership is limited to those within a seventy-five (75) miles radius of Kintyre, and that the proposed Articles of Amendment to the Bylaws would add "and immediate family members of said residents".

It was moved by Member Mund, seconded by Member Millar, and unanimously carried to approve the Articles of Amendment to the Bylaws of Kintyre Credit Union, Napoleon, to amend Articles II, Section 2, by adding "and immediate family members of said residents".

MEMORANDUM TO STATE AND FEDERAL CREDIT UNION MANAGERS FROM CHAIRMAN KARSKY

Acting Chairman Entringer referred to Chairman Karsky's Memorandum dated November 7, 2003, regarding the use of the word bank/banking in advertising by state or federal credit unions. Acting Chairman Entringer explained the North Dakota Bankers Association informed the Department that the North Dakota Credit

Union League was advertising in local newspapers using the word “bank or banking”, and also that Town and Country Credit Union, Minot, had the word “banking” center in its signage.

Acting Chairman Entringer referred to Section 6-02-01, North Dakota Century Code, which specifically states that no person, firm, company, copartnership, or corporation, either domestic or foreign, not organized under this chapter or authorized to take on banking powers under this section, except national banking associations and the Bank of North Dakota, may make use of or display in connection with its business, in signs, letterheads, advertising, or in any other way, such words as “bank”, “banker”, or “banking”, or any other word or words of like import.

Acting Chairman Entringer explained this same issue is occurring with other entities requesting to use the word “bank” or words of like import in their company name. He explained that former Commissioner Preszler did grant waivers to companies to use the word “bank” or words of like import in their company names; however, Assistant Attorney General Miller advised the Department approximately one year ago that the Department does not have the authority to grant these waivers. Acting Chairman Entringer explained any companies requesting to use the word “bank” or words of like import in their name must register with the Secretary of State and use a trade name. Acting Chairman Entringer stated this is the reason Commissioner Karsky sent out his Memorandum.

Acting Chairman Entringer stated that Doug Wolf, President of Midwest Corporate Federal Credit Union, Bismarck, inquired if the phrase “home banking” could be used in regard to internet banking; however, this also would not be allowed, even though it is a type of generic term. Acting Chairman Entringer stated the North Dakota Credit Union League has expressed its intent to propose a change to this statute during the next Legislative session, and that the Department would not object to any proposed changes.

MEETING DATES FOR 2004

The 2004 meeting dates were set for March 5, June 4, September 3, and December 3.

CONFERENCE CALL/PUBLIC HEARING

Acting Chairman Entringer reminded the Board of the conference call set for 10:00 a.m., January 8, 2004, regarding the public hearing to address the proposed administrative rules regarding disclosure of customer information by financial institutions.

The Board went into closed session at 9:50 a.m.

Robert J. Entringer, Acting Chairman

Suzette Richardson, Acting Secretary